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ONE HUNDRED ELEVENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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March 30, 2009

The Honorable Mary L. Schapiro
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Dear Chairman Schapiro:

On November 30, 2004 the American International Group (AIG) and its subsidiary AIG Financial Products Corps (AIG-FP) entered into a deferred prosecution agreement with the United States Department of Justice (DOJ), the United States Attorney for the Southern District of Indiana, and the Securities and Exchange Commission (SEC) on charges that the company had violated generally accepted accounting principles (GAAP) and antifraud provisions of the federal securities laws.

As part of the deferred-prosecution agreement, AIG was required to pay \$126 million, as well as install an independent monitor to oversee business practices at the company. Consequently, AIG hired Mr. James Cole and his firm, Bryan Cave LLP in January of 2005. Mr. Cole's responsibilities broadened in November of 2006 after a separate settlement required that he monitor and examine AIG's financial reporting, as well as provide oversight of corporate governance.

Under the provisions of these settlements, Mr. Cole evidently had routine access to the highest levels of the company and participated as an observer at AIG Board meetings. In effect, Mr. Cole had a seat at the table as the company decided to oust two CEO's, developed its strategy in the midst of the housing bubble and its subsequent collapse, and made critical decisions concerning restructuring AIG-FP, allocating retention payments, generating options to produce liquidity, and ultimately requesting taxpayer capital injections from the Federal Reserve and Treasury now amounting to nearly \$180 billion.

Mr. Cole was required to deliver periodic reports to DOJ and SEC concerning his oversight of AIG, including matters involving regulatory compliance, financial reporting, whistleblower protections, and employee retention policies. With the taxpayers now having an eighty percent stake in AIG, we believe that review of these reports is critical for Congress to better understand how AIG became financially crippled and in assessing whether taxpayer dollars are being properly used for the stabilization of this once prosperous company.

The House Committee on Oversight and Government Reform is the principal oversight committee in the U.S. House of Representatives. Under Rules X and XI of the House Rules, the Committee is investigating the collapse and federal rescue of AIG and what it means for the United States economy. To aid in our investigation, we request that you provide this Committee with copies of all reports submitted to SEC by Mr. Cole or at his direction, which relate to AIG, its subsidiaries, and its management.

The urgency with which we address the myriad of issues related to AIG is of critical importance to both the American taxpayer and this Committee. Please deliver the requested records to the Committee on Oversight and Government Reform, room 2157 Rayburn House Office Building, no later than 4:00 p.m., Wednesday, April 1, 2009. In responding to this request, please be advised that the terms "records" and "relating to" are defined in the attachment to this letter. To facilitate delivery and review, we prefer that the records be delivered in electronic format, if possible.

Should you or your staff have any questions with regard to this request, you may contact me, John Arlington of the Majority staff at 202-225-5051, or Jennifer Safavian of the Minority staff at 202-225-5074.

Sincerely,



Edolphus Towns
Chairman



Darrell E. Issa
Ranking Member

ATTACHMENT

1. The term "records" is to be construed in the broadest sense and shall mean any written or graphic material, however produced or reproduced, of any kind or description, consisting of the original and any non-identical copy (whether different from the original because of notes made on or attached to such copy or otherwise) and drafts and both sides thereof, whether printed or recorded electronically or magnetically or stored in any type of data bank, including, but not limited to, the following: correspondence, memoranda, records, summaries of personal conversations or interviews, minutes or records of meetings or conferences, opinions or reports of consultants, projections, statistical statements, drafts, contracts, agreements, purchase orders, invoices, confirmations, telegraphs, telexes, agendas, books, notes, pamphlets, periodicals, reports, studies, evaluations, opinions, logs, diaries, desk calendars, appointment books, tape recordings, video recordings, e-mails, voice mails, computer tapes, or other computer stored matter, magnetic tapes, microfilm, microfiche, punch cards, all other records kept by electronic, photographic, or mechanical means, charts, photographs, notebooks, drawings, plans, inter-office communications, intra-office and intra-departmental communications, transcripts, checks and canceled checks, bank statements, ledgers, books, records or statements of accounts, and papers and things similar to any of the foregoing, however denominated.
2. The terms "relating," "relate," or "regarding" as to any given subject means anything that constitutes, contains, embodies, identifies, deals with, or is in any manner whatsoever pertinent to that subject, including but not limited to records concerning the preparation of other records.